

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

FEE APPLICATION COVER SHEET

Debtor:	<u>Daryl Fred Heller</u>	Applicant:	<u>Reed Smith LLP</u>
Case No.:	<u>25-11354 (JNP)</u>	Client:	<u>The Examiner</u>
Chapter:	<u>11</u>	Case Filed:	<u>February 10, 2025</u>

**SECTION 1
FEE SUMMARY**

☒ Interim Fee Application No. or ☐ Final Fee Application

	<u>FEES</u>	<u>EXPENSES</u>
Total Previous Fee Requested:	<u>\$ 170,147.48</u>	<u>\$ 6,958.87</u>
Total Fees Allowed To Date:	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Retainer (If Applicable)	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total Holdback (If Applicable)	<u>\$ 34,029.50</u>	<u>\$ 0.00</u>
Total Received by Applicant	<u>\$ 0.00</u>	<u>\$ 0.00</u>

NAME OF PROFESSIONAL & TITLE	YEAR ADMITTED (Or Years Of Professional Service)	HOURS	RATE	FEE
1. Kurt F. Gwynne Equity Partner	Admitted to the Bars of the Commonwealth of Pennsylvania since 1992, the state of New Jersey since 1993, the state of Delaware since 2000, and the state of New York since 2018	44.3	\$1,258.00	\$55,729.40
2. Cameron A. Capp Associate	Admitted to the Bar of the State of Delaware since 2023	30.2	\$629.00	\$18,995.80
3. Gabrielle A. Colson Associate	Admitted to the Bars of the State of Delaware since 2023 and the Commonwealth of Pennsylvania since 2024	144.7	\$586.50	\$84,925.20
4. Scott Demaris Research Librarian	Joined the firm in 2006.	0.3	\$403.75	\$121.30
5. Kevin W. Cockerham Paralegal	Joined the firm in 2024.	23.4	\$382.50	\$8,950.50

6. Gabe I. Saenz Paralegal	Joined the firm in 2024.	3.9	\$365.50	\$1,425.45
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Fee Totals:	<u>\$170,147.65</u>
Disbursements Totals:	<u>\$6,958.87</u>
Total Fee Application	<u>\$177,106.35</u>

**SECTION II
SUMMARY OF SERVICES**

SERVICES RENDERED	HOURS	FEE
<p>1. <u>Case Administration</u></p> <p>Under this project category, Reed Smith incurred time, among other things, preparing the work plan and budget, reviewing the court docket and filings in the case, and related communications with the Examiner, creditors, and counsel to the Debtor.</p>	6.00	\$3,750.20
<p>2. <u>Fee/Employment Applications for Reed Smith LLP</u></p> <p>Under this project category, Reed Smith assisted the Examiner with issues related to Reed Smith's compensation. Amongst other things, Reed Smith: drafted and prepared Reed Smith's first and second monthly fee statements for the months of March, April, and May 2025; and internally coordinated and reviewed time entries for privilege and confidentiality. Reed Smith also incurred time on, among other things, drafting, reviewing, revising, and filing its retention application; and researching client connections for its retention application.</p>	26.00	\$18,478.15
<p>3. <u>Fee/Employment Applications for Other Professionals</u></p> <p>Under this project category, Reed Smith assisted the Examiner and his professionals with drafting, reviewing, revising, and filing monthly fee statements. Reed Smith also reviewed and commented on the retention applications filed by the Examiner and his professionals; researching various retention issues; and preparing, reviewing, and filing the retention applications and orders of the other professionals.</p>	21.60	\$12,289.30
<p>4. <u>Hearings</u></p> <p>Under this project category, Reed Smith incurred time coordinating for and attending hearings.</p>	2.40	\$3,019.20

<p>5. <u>Investigation</u></p> <p>Under this project category, Reed Smith assisted the Examiner in, among other things, conducting an investigation of the Debtor and his affiliates pursuant to the Order Appointing Examiner, including actions to obtain (including drafting and serving 39 subpoenas and coordinating voluntary production of documents from other parties) and review relevant bank statements, communications and other documents necessary to conduct the broad investigation described in the Order Appointing Examiner.</p>	187.80	\$129,038.08
<p>6. <u>Meetings</u></p> <p>Under this project category, Reed Smith incurred time preparing for and attending meetings with Debtor's counsel, the Debtor's creditors, both individually and as groups, and the Examiner's financial advisor.</p>	3.00	\$3,572.55
<p>7. <u>Non-working Travel</u></p> <p>This category includes all travel time.</p>	0.00	\$0.00
SERVICE TOTALS:	246.80	\$170,147.48

**SECTION III
SUMMARY OF DISBURSEMENTS**

DISBURSEMENTS	AMOUNT
a) Service Fees	\$6,928.88
b) Travel	\$15.99
c) Postage	\$14.00
DISBURSEMENTS TOTAL:	\$6,958.87

I certify under penalty of perjury that the above is true.

Date: July 15, 2025

/s/ Kurt F. Gwynne
Kurt F. Gwynne

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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Counsel for Examiner

In re:

DARYL FRED HELLER,

Debtor.

Case No. 25-11354 (JNP)

Judge Jerrold N. Poslusny Jr.

Chapter 11

**FIRST INTERIM APPLICATION FOR ALLOWANCE OF FEES AND
REIMBURSEMENT OF REED SMITH, LLP, AS COUNSEL TO THE EXAMINER,
FOR THE PERIOD FROM MARCH 18, 2025 THROUGH MAY 31, 2025**

By this application (the “Application”), pursuant to section 330 and 331 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2016-1 of the *Local Rules of the United States Bankruptcy Court District of New Jersey* (the “Local Rules”), and the *Administrative Fee Order Establishing Procedures for the Allowance and Payment of Interim Compensation and Reimbursement of Expenses of Professionals Retained by Order of this Court*, entered on April 3, 2025 [Docket No. 170], Reed Smith LLP (“Reed Smith”), as counsel to the Court-appointed examiner (the “Examiner”), hereby seeks entry of an order allowing and directing payment to Reed Smith on a first interim basis for (i) compensation in the amount of \$170,147.48 for services rendered during the period from March 18, 2025 through May 31, 2025 (the “Fee Period”), and

reimbursement of expenses incurred during the Fee Period in the amount of \$6,958.87, for a total of \$177,106.35. In support of this Application, Reed Smith respectfully represents as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3. On February 10, 2025, Daryl F. Heller (the “Debtor”) filed a voluntary petition for relief pursuant to the Bankruptcy Code commencing this chapter 11 case (this “Chapter 11 Case”).

4. On March 7, 2025, with the consent of the Debtor and certain of his creditors, the Court entered the *Order Directing the Appointment of an Examiner* [Docket No. 99] (the “Examiner Order”) pursuant to section 1104(c) of the Bankruptcy Code.

5. On March 18, 2025, the Court entered the *Order Approving the Appointment of a Chapter 11 Examiner by United States Trustee* [Docket No. 131] (the “Order Appointing Examiner”), which approved the United States Trustee’s appointment of Edward A. Phillips as Examiner in this Chapter 11 Case.

6. The Examiner Order was a consent order to which the Debtor and his creditors agreed.

7. Pursuant to the Examiner Order, the Examiner, among other things, is directed to investigate the following matters (collectively the “Investigation”):

- “investigate any allegations of fraud, dishonesty, incompetence, misconduct, mismanagement, or irregularity, if any, in the management of the affairs of the Debtor or in any entity or entities owned or controlled by the Debtor, either directly

or indirectly, or through any intermediate entity including but not limited to Heller Capital Group, LLC, Heller Investment Holdings, LLC, Accordo Limited Partnership, Brookfield LP, Brigantine Group, L.P., DHRC, LLC, I Employee Services, LLC, and RAW Ventures, LLC, Golden Gate Investment Company, LLC, or Paramount Management Group, LLC (collectively “Debtor Entities”),

- “investigate any and all transfers by the Debtor and any Debtor Entities including, but not limited to, all transfers or allegations referenced in the Removed Litigation,” and
- “investigate the accuracy and completeness of the Debtor’s Schedules of Assets and Liabilities and Statement of Financial Affairs, including, but not limited to, the stated value of assets included therein, (d) otherwise perform the duties of an examiner set forth in section 1106(a)(3) and 1106(a)(4) of the Bankruptcy Code.”

Examiner Order, ¶ 3.

8. Pursuant to the Examiner Order, the Examiner engaged a financial advisor and counsel. On April 10, 2025, the Court entered the *Order Authorizing Retention of Getzler Henrich & Associates LLC as Financial Advisor to the Examiner, Effective as of March, 28, 2025* [Docket No. 177], authorizing the retention of Getzler Henrich & Associates LLC as the Examiner’s Financial Advisor. Additionally, on May 14, 2025, the court entered the *Order Authorizing Retention of Reed Smith LLP, as Proposed Counsel to the Examiner, Effective as of March 18, 2025* [Docket No. 235] authorizing the retention of Reed Smith as the Examiner’s counsel.

9. Pursuant to paragraph 9 of the Examiner Order, the Examiner submitted a Final Budget providing for fees and expenses of (i) the Examiner and Getzler Henrich in the amount of \$1,416,195 and (ii) Reed Smith in the amount of \$350,005.¹

**REED SMITH'S APPLICATION FOR COMPENSATION
AND REIMBURSEMENT OF EXPENSES**

10. On April 3, 2025, the Court entered the Administrative Fee Order establishing procedures for payment of interim compensation. Reed Smith's monthly fee statements (the "Monthly Fee Statements") for the Fee Period have been filed and served pursuant to the Administrative Fee Order.

11. On May 21, 2025, Reed Smith filed the *First Monthly Fee Statement of Reed Smith LLP, Counsel for the Examiner, for the Period from March 18, 2025 Through April 30, 2025* [Docket No. 267] (the "First Monthly Fee Statement"). The First Monthly Fee Statement sought payment of \$102,025.50 (80% of \$127,531.88) in fees and \$5,602.72 in expenses. *See* First Monthly Fee Statement, Ex. A.

12. On June 25, 2025, Reed Smith filed the *Second Monthly Fee Statement of Reed Smith LLP, Counsel for the Examiner, for the Period from April 1, 2025 Through April 30, 2025* [Docket No. 359] (the "Second Monthly Fee Statement"). The Second Monthly Fee Statement sought payment of \$34,092.48 (80% of \$42,615.60) in fees and \$1,356.15 in expenses. *See* Second Monthly Fee Statement, Ex. B.

13. In accordance with the Administrative Fee Order, Reed Smith seeks interim approval of all fees and expenses sought in the Monthly Fee Statements and payment in an amount

¹ The Final Budget provides that the "allocation of hours among professionals and the tasks on which those hours are spent may differ from the budget." To the extent the total hours will exceed those set forth in the Final Budget, the Examiner must obtain Court approval or written agreement of the parties. *See* Examiner Order, ¶ 9.

equal to the difference between the amount of the fees and expenses allowed and the actual payments received by Reed Smith on account of the Monthly Fee Statements.

SUMMARY OF SERVICES RENDERED

14. By this Application, Reed Smith seeks an allowance of fees for services performed during the Fee Period and reimbursement for actual out-of-pocket expenses made during such period of time.

15. During the Fee Period, Reed Smith professionals performed a variety of services in connection with this matter including, but not limited to, the following:

- a. Case Administration – Under this project category, Reed Smith incurred time, among other things, preparing the work plan and budget, reviewing the court docket and filings in the case, and related communications with the Examiner, creditors, and counsel to the Debtor.

Total Hours: 6.00; Total Fees: \$3,750.20

- b. Fee/Employment Applications for Reed Smith LLP – Under this project category, Reed Smith assisted the Examiner with issues related to Reed Smith's compensation. Amongst other things, Reed Smith: drafted and prepared Reed Smith's first and second monthly fee statements for the months of March, April, and May 2025; and internally coordinated and reviewed time entries for privilege and confidentiality. Reed Smith also incurred time on, among other things, drafting, reviewing, revising, and filing its retention application; and researching client connections for its retention application.

Total Hours: 26.00; Total Fees: \$18,478.15

- c. Fee/Employment Applications for Other Professionals – Under this project category, Reed Smith assisted the Examiner and his professionals with, among other things, drafting, reviewing, revising, and filing monthly fee statements. Reed Smith also reviewed and commented on the retention applications filed by the Examiner and his financial advisor, researched various retention issues; and prepared, reviewed, and filed the retention applications of the examiner and his financial advisor.

Total Hours: 21.60; Total Fees: \$12,289.30

- d. Hearings – Under this project category, Reed Smith incurred time coordinating for and attending hearings.

Total Hours: 2.40; Total Fees: \$3,019.20

- e. Investigation – Under this project category, Reed Smith assisted the Examiner in, among other things, conducting an investigation of the Debtor and his affiliates pursuant to the Order Appointing Examiner, including actions to obtain (including drafting and serving 39 subpoenas and coordinating voluntary production of documents from other parties) and review relevant bank statements, communications and other documents necessary to conduct the broad investigation described in the Order Appointing Examiner.

Total Hours: 187.80; Total Fees: \$129,038.08

- f. Meetings and Communications with Creditors – Under this project category, Reed Smith incurred time preparing for and attending meetings with Debtor's counsel, the Debtor's creditors, both individually and as groups, and the Examiner's financial advisor.

Total Hours: 3.00; Total Fees: \$3,572.55

g. Non-working Travel – This category includes all travel time.

Total Hours: 0.00; Total Fees: \$0.00

CONCLUSION

WHEREFORE, Reed Smith respectfully requests that an order be entered herein (i) granting it a first interim allowance for fees in the amount of \$170,147.48 and reimbursement of out-of-pocket expenses in the amount of \$6,958.87, for a total award of \$177,106.35; (ii) authorizing the Debtor to pay the outstanding amount of such sums due to Reed Smith; and (iii) for such other and further relief as may be just and proper.

Date: July 15, 2025

Respectfully submitted,

/s/ Kurt F. Gwynne
Kurt F. Gwynne

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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Counsel for Examiner

In re:

DARYL FRED HELLER,

Debtor.

Case No. 25-11354 (JNP)

Judge Jerrold N. Poslusny Jr.

Chapter 11

CERTIFICATION OF ATTORNEY

KURT F. GWYNNE, hereby certifies as follows:

1. I am a Partner at Reed Smith LLP, counsel to Edward A. Phillips in his capacity as the court appointed examiner (the “Examiner”) in the above captioned chapter 11 of Daryl F. Heller (the “Debtor”).

2. I submit this certification in connection with the application of my firm for a first-term allowance of compensation for services rendered and reimbursement of expenses incurred as counsel to the Examiner for the period from March 18, 2025 to May 31, 2025.

3. In accordance with section 114 of title 18 of the United States Code and the *Local Rules of the United States Bankruptcy Court District of New Jersey*, no agreement or understanding exists between me, my firm, or any partner or associate of this firm for the purpose of fixing the

amount of any of the fees or other compensation to be allowed out of or paid from the assets of the Debtor r.

4. In accordance with section 504 of title 11 of the United States Code (the “Bankruptcy Code”), no agreement or understanding exists between me, my firm, or any partner or associate thereof, on the one hand, and any other person, on the other hand, for the division of such compensation as my firm may receive from the Court herein, nor will any division of fees prohibited by section 504 of the Bankruptcy Code be made by me or any partner or associate of this firm.

5. I certify under penalty of perjury that the foregoing statement made by me are true and correct, to the best of my knowledge, information, and belief.

Dated: July 15, 2025

By: /s/ Kurt F. Gwynne
Kurt F. Gwynne